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TAGS: [PREL](#) [PTER](#) [IN](#) [PK](#) [INDO](#) [PAK](#)

SUBJECT: CROSS-LOC BUS DEAL HAILED AS ""MOTHER OF ALL CBMS""

REF: A. NEW DELHI 1234

- [B](#). NEW DELHI 1175
- [C](#). NEW DELHI 1113
- [D](#). NEW DELHI 909
- [E](#). NEW DELHI 355
- [F](#). 04 NEW DELHI 7755

Classified By: DCM Robert O. Blake, Jr. for Reasons 1.4 (B, D)

[1](#)1. (C) Summary: After several weeks in which the process of Indo-Pak normalization appeared to be grinding to a halt (Ref B), this week's Islamabad deal has shifted the dynamic, at least temporarily, in a much more constructive direction. PM Manmohan Singh's fingerprints were clearly in evidence in the several climb downs from prior MEA positions on travel documents for the bus and on linking the gas pipeline to other trade issues -- further examples of Indo-Pak diplomatic breakthroughs that required high-level political intervention (Ref D). Although a palpable ""can-do"" spirit has followed the announcement of the deal, implementing the bus service may yet get hung up in the details. The early criticism of the agreement comes primarily from the BJP, who are labeling it as a sell-out and may accelerate barb-throwing as Parliament reconvenes (septel). As much as the bus is a positive symbol, it is also a target for Kashmir-oriented terrorism, and before the ink had dried Jaish-e-Mohammad threatened to disrupt the service if it led to ""more atrocities by Indian forces in J&K."" Still, with one large box checked off the Indo-Pak agenda, the atmosphere in New Delhi is now primed for renewed talks on a short-list of confidence building measures, including nuclear CBMs, prior notification of missile testing, MoU's on counter-narcotics cooperation and maritime security, and revisiting the proposed Iran-Pakistan-India pipeline as an economic vice political issue. As talks resume in the coming weeks, we need to be perceived as unambiguously behind the peace process and appreciative of the political risks that both sides have taken to get this far. End Summary.

Srinagar-Muzaffarabad Bus Deal: The Main Course

[1](#)2. (C) Most of the Indian media and many of our contacts stand behind the words of MEA spokesman Navtej Sarna, who characterized the February 16 agreement on the Srinagar-Muzaffarabad bus service as the ""mother of all confidence building measures."" Although Indian newspapers had been abuzz for days with speculation that the bus deal would be inked during FM Natwar Singh's February 15-17 visit, a healthy dose of caution -- born, in part, in the collapse of the July 2001 Agra Summit -- was also palpable until TV networks broadcast the Foreign Ministers' statements that a compromise had been struck and the bus would begin operations on April 7. Foreign Secretary Shyam Saran said that the deal was ""an indication that the peace process is beginning to yield results."" Indian newspapers were awash with interviews of Kashmiris from ""divided families"" proclaiming the bus service to be ""the happiest news of the past 50 years,"" and photos of celebrations on the streets of Srinagar.

[1](#)3. (C) Track-Two activist George Matthew -- who plans to bring over thirty Indian panchayatis (local legislators) to Pakistan in March -- reflected the overall upbeat atmosphere in Delhi, telling Poloff that, by showing that the impasses that had dogged the bus proposal (Ref F) could be resolved, the service ""opens new vistas of cooperation, opens the floodgates of local people-to-people exchanges."" Matthew, who hails from Kerala, was as optimistic as any Delhiite at the ""great giant step"" toward normalizing Indo-Pak relations. His words were echoed throughout the Indian media's coverage of the agreement.

The Mechanics of the Deal

[1](#)4. (C) Recognizing the political value of having Natwar Singh bring deliverables home, the GOI climbed down on what MEA had previously characterized as bottom-line demands in order to reach this deal -- no longer requiring bus passengers to obtain visas to transit the LOC or passports as identity documents. Instead, Indian passengers seeking to visit Pakistani Kashmir (as well as the Northern Areas) will send their applications to the Regional Passport Office (RPO) in Srinagar, which will forward the application to its

counterpart agency in Pakistani Kashmir for validation. The passenger will be notified when the paperwork is approved. Then, upon reaching the border, the host government will issue an entry permit. Rather than have a single bus make the entire Srinagar-Muzaffarabad run, separate busses on each side of the LOC will ferry people from each city to the LOC, and carry back travelers from the other side. Travel onward from Kashmir into other areas in the two countries via the bus will be prohibited, but New Delhi has not yet explained how it plans to enforce this provision aside from requiring that visitors check in with police periodically.

15. (C) Indian commentators have observed that Islamabad made compromises as well, noting that the service will be available to all Indian and Pakistani citizens (Islamabad had reportedly wanted to restrict the service to Kashmiris only). Furthermore, each government is to design its own entry papers, which, for travelers from Pakistani Kashmir to J&K, will include a Government of India stamp -- another concession by Islamabad. Because of the processing time and the need for the MEA to issue instructions to the RPO, however, many of the initial passengers from Srinagar are likely to be Indian passport-holders, according to Indian press reports. Third-country nationals are barred from riding the bus.

16. (C) Some infrastructure obstacles also require attention. For example, patches of the road near the LOC are reportedly in dire need of repair, although the Indian Army has already begun de-mining areas close to the LOC. J&K Chief Minister Mufti Mohammad Sayeed went so far as to pledge to expand the road into a four-lane highway. The frequency of travel has yet to be announced, though most press reports predict it will begin with either weekly or bi-weekly service. Some Indians are also asking whether the road will be opened at some future time for private vehicles, and for trade.

A Much-Needed Boost

17. (C) Over the past few weeks, Pakistan-watchers in New Delhi had grown concerned that the dialogue process was slowing and could grind to a halt. Director of the Institute for Peace and Conflict Studies Maj. Gen. (ret.) Dipankar Banerjee was greeted with a roomful of nodding heads when he commented at a recent seminar on Indo-Pak relations that "in the absence of movement, the dialogue will end sooner rather than later." Institute for Defense Studies and Analysis Deputy Director Commodore Uday Bhaskar on February 1 predicted that Natwar Singh's trip would provide "little movement aside from embedding the process further," and Observer Research Foundation (ORF) Senior Pakistan Fellow Wilson John less than a week before the announcement brushed aside the prospect of substantial agreement until later in the year.

18. (C) Now, however, even the skeptics have also turned optimistic. Former Director of the ORF Pakistan Centre Sushant Sareen commented that the most significant aspect of the agreement was that it breathed new life into Indo-Pak relations, which had been dragging over recent diplomatic reversals (Ref C), and Wilson John acknowledged that it was "a great step forward, and a good boost to the flagging Composite Dialogue." Even anti-terrorism hawk Ajai Sahni admitted that it was "a baby step forward."

BJP Leading the Naysayers

19. (C) In addition to the knee-jerk public criticism of the bus service from pro-independence hardline Kashmiri separatists (Ref A), BJP Vice President Mukhtar Abbas Naqvi castigated the compromise on travel documents as "ignoring national interests and security concerns." He expanded that "the decision will open a floodgate for infiltration by terrorists in the garb of tourists." Parliamentary opposition leader and former Foreign Minister Jaswant Singh followed up by publicly questioning whether the UPA government had adequately focused on counterterrorism concerns while formulating the compromise of travel documents. Although domestic political opposition seems to be galvanizing around security issues, BJP leaders are also initiating a second line of attack by predicting that the compromise will embolden Kashmiri secessionists and "may lead to Kashmiri leaders demanding an independent state." Former PM Vajpayee will reportedly promote this theme at a campaign rally in Patna on February 18.

10. (C) BJP National Executive Member Seshadri Chari took a less combative tone in private, telling us that although "there is nothing new there, the NDA government has also worked on these CBMs." "Pakistan's attitude does not seem favorable to the peace process, the agreement itself is good as long as there are no security lapses," he concluded. Associate Professor Savita Pandey of JNU's South Asia Center took a much harder line, decrying the accord as "compromising

and diluting India's stand on Kashmir completely"" and predicting that ""the Opposition will raise the 1994 parliamentary resolution, which maintains that India cannot accept any territorial compromise on Kashmir, including Pakistani Kashmir.""

Don't Break Out the Champagne Just Yet

11. (C) To headlines such as ""LOC on Way to Become Soft Border"" that ran in ""The Pioneer,"" Sareen quipped, ""It's much too soon to make that determination."" He acknowledged that the bus service and other announcements were ""the important start of a series of steps, but not major developments on their own."" Sareen -- who had predicted before the Natwar visit that there would be no significant tangible results for the first several rounds of talks ""unless forced by domestic politics"" -- credited the accord with ""keeping the Composite Dialogue alive, keeping the process going."" He noted that, as with the visa process, people seeking to use the bus could be denied entry permits for political as well as security reasons. More broadly, Sareen cautioned that ""Pakistan may see the signals the wrong way ... they may read this as weakness of resolve by New Delhi, that would be a terrible miscalculation to make if they think that they will get their way on the entire agenda."" ORF's Wilson John also pointed out that the March 1999 kick-off of the Delhi-Lahore bus service -- which was also hailed as groundbreaking -- did not impede the Kargil war.

12. (C) Security is another concern yet to be fully addressed. Because the bus service has become a symbol of the health of Indo-Pak relations, it is certain to become a target for Kashmir-oriented terrorist groups. Even before the ink on the deal had dried, Jaish-e-Mohammad threatened to disrupt the service if it led to ""more atrocities by Indian forces in J&K."" The raised stakes will require closer cooperation between Indian and Pakistani paramilitary forces, as intelligence sharing to detect and prevent an attack on the bus will be essential.

Other Transport Links Face Fewer Political Obstacles

13. (C) The hand-shake on the Munnabao-Khokhrapar rail service to link Rajasthan and Sindh starting in October will likely mute criticism -- from the MEA (Ref E) and elsewhere -- that Islamabad is only interested in ""Punjab-to-Punjab"" contacts. The rail link and the proposed Amritsar-Lahore bus service cross the International Border, not the LOC, so they could be accommodated under the standard passport/visa regime that is used for the Lahore-Delhi bus and train. Furthermore, the prospect of bus services between Amritsar-Lahore and Amritsar-Nankana Sahib (the birthplace of Sikhism's founder Guru Nanak) was cheered by veteran Sikh leader Manjit Singh Calcutta as ""delighting Sikhs all over.""

Movement Proposed on Opening Consulates in Business Hubs

14. (C) Also broadening the appeal of this week's deliverables is the announcement that the GOP and the GOI will work toward re-opening their consulates in Mumbai and Karachi, respectively. More than the protection of their nationals abroad, this proposal seems targeted to the business communities in the two countries' commercial hubs, and should facilitate cross-border business travel. For example, ""The Telegraph"" on February 16 reported that a Karachi-based software firm and a New-Delhi based IT organization are submitting a joint bid for a \$1 million Sindh government project to train call center workers. As would be expected, however, news of the Mumbai consulate re-opening was publicly slammed by Shiv Sena senior leader Pramod Nawalkar, who threatened, ""The Sena will never entertain any Pakistanis in Mumbai.""

Slew of CBMs Teed Up for Spring Discussions

15. (C) A cluster of CBMs that Delhi-based Pakistan-watchers had previously considered low-hanging fruit have been short-listed for early attention. Renewed talks on nuclear CBMs, the agreement on details for prior notification of missile testing, as well as MoU's on counter-narcotics cooperation and maritime security (to include modalities of dealing with the hundreds of fishermen who are jailed for crossing the maritime boundary) are all expected in the coming months. Some of these had reportedly come remarkably close to completion during technical deliberations last year. The GOI and GOP said they would also discuss larger issues, such as the proposed Iran-Pakistan-India pipeline (Ref B); broader ones, such as increasing bilateral trade; and more contentious ones, including the Baglihar and Kishanganga hydro-electric projects.

Unsticking the Wicket

16. (C) Press reports also indicate that a compromise has also been brokered on the Pakistani cricket team's February 25-April 18 India tour. Details will be reported septel.

Comment

17. (C) It is hard to accurately capture the wave of optimism in New Delhi without appearing to have forgotten the history of Indo-Pak relations. As one of Delhi's most prominent Pakistan watchers, "Asian Age" editor MJ Akbar, noted: "There is a law of Indo-Pak relations -- nothing has happened until it has happened, so much scalding tea has spilled between the cup and the lip (the Agra summit being the most famous instance) that only the very brave predict good news. A sub-law indicates that when things happen, everything seems possible." The fact that the February 16 announcement -- the most significant breakthrough since the Composite Dialogue kicked off -- comes after several weeks of negative Indo-Pak news exemplifies the sine curve of South Asian diplomacy. The hype is certain to settle down as the bureaucracies work to operationalize the agreement; and, admittedly, an additional 40 visitors on a weekly basis hardly constitutes "opening the floodgates." Although much can happen in the seven weeks until April 7, and detractors have already sharpened their word processors, this accord gives the Composite Dialogue a much-needed shot in the arm. The GOI deftly and simultaneously positioned itself as both magnanimous and responsible, and surprised most with the speed and intensity of the diplomatic momentum it can muster. While acknowledging that there is still a long way to go on the road to normalization, this week's breakthroughs are a welcome kick-off to the 2005 Indo-Pak Diplomacy Season. On the Indian side, much of the credit goes posthumously to NSA Dixit, whose implementation of the PM's admonition to "think outside the box" made the bus deal possible. This success also demonstrates the degree to which Prime Ministerial engagement is imperative to progress in the Indo-Pak relationship. In this context, we need to be perceived as unambiguously behind the peace process and appreciative of the political risks that both sides have taken to get this far.

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